Noes.

1. Mr. C. V. Antony.
2. ,, V. K. Aravindaksha Menon.
3. ,, K. Govinda Menon.
4. ,, U. Kandar Menon.
5. ,, T. K. Krishna Menon.
6. ,, T. M. Krishna Menon.
7. ,, K. Krishna Pisharodi
8. ,, C. A. Kunjunni Raja.
9. ,, Rao Sahib Mr. C. Matithai.
10. Mr. P. Nilakanta Menon.
11. ,, T. A. Ramachandra-Ayyar.
12. ,, I. Raman Menon.
13. ,, A. B. Salem.
14. ,, A. Sankara Menon.
15. Dr. E. A. Veigas.
16. Diwan Bahadur Dr. V. Verghese.

4. Schools to be open to all.

Deputy President.—Resolution No 4, Mr. K. T. Mathew.

(*The Member being absent, the following resolution and amendmend to it were considered withdrawn.—*

"*This Council requests the Government to throw open all schools under its control to all classes of people, irrespective of caste or creed.*"

Mr. C. A. Kunjunni Raja.—*Omit 'all schools' and substitute everything'.*)

5. Co-operative Movement.

Deputy President.—Resolution No. 5; the Member, Mr. K. T. Mathew is absent.

Hence the following resolution was considered withdrawn.—

"*This Council recommends that Mr. G. K. Devadar or any other member of the servants of India Society who has made a special study of the Co-operative Movement be requested to enquire into and report upon the Co-operative Movement with a view to make it more useful and popular*".

6. Loans to the Tanneries, Ltd.

Deputy President.—Resolution No. 6, Mr. C. J. Mathew.

Mr. C. J. Mathew.—Sir, I beg leave of the House to move the resolution standing in my name. "*This Council recommends to the Government to take early steps to recover the loans advanced by them to the Cochin Tanneries, Ltd., at Chalakkudi or in the alternative to take up the concern by the Government and work it by them*".

The Cochin Tanneries, Ltd., was registered in the year 1095 with a capital of 4 lakhs divided into 40,000 shares of Rs. 10 each. The Government is represented in the Board by three official members and the Government have purchased shares in it to the extent of a lakh and twenty thousand rupees. Encouraged by this close association of the Government, the public made a great rush for the purchase of the shares. It was over-subscribed and there was even a disappointment in

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not getting shares. The work started somewhere near 1097 in chrome tanning. Soon after the work was started they felt necessity for more funds and the Government was approached. Another lakh and thirteen thousand rupees was advanced taking a mortgage of the Company's properties. Up to 1099 the company worked with loss and then it stopped. It is not known to the public why it was stopped. This in short is its back history. The stuff produced was not bad or inferior in quality.

Mr. A. B. Salem.—Oh! no.

Deputy President.—The report was that it was very superior.

Mr. C. J. Mathew.—If the stuff was good, then why did the concern work out in continued loss? It might be due to not being able to secure good markets. Probably bad fluctuations in prices also. However more and more money was found again necessary. They asked for another loan at the time of Diwan Mr. Narayana Menon. He had almost promised to advance Rs. 75,000 more. Anyway it was not paid during his time. Change of administration took place and the money did not come forth from the Government. Then the Directors made attempts to lease it. Some people from Madras, some merchants from other places came and offered. All the offers were unacceptable and the Company had to be closed down without doing any work. So, the time has come for this House to draw the attention of the Government. Now there are only two courses left open, either to stop the concern altogether or to mend it.

Mr. A. B. Salem.—It is already stopped.

Mr. C. J. Mathew.—I mean to wind up the Tanneries, Ltd., or to work it as a Government concern. Mending could be done only in case the Government would take up the concern themselves and work it. No private agency is likely to advance Rs. 75,000 out of their pocket and start the concern working. If fund is wanting, and that is the cause of the failure, it is impossible to imagine that private agencies should care to work this concern. The Government must make up their mind to venture a further sum. Government should take up the work. They alone can try whether it can be run successfully or profitably. I should think the Government ought to make a venture and try. There is no gain without venture. Let us take the risk. Is not the sight of these huge buildings by the side of the Railway bridge a big eye-sore to the travelling public? If the Government have no idea to work it why not sell the machinery which is getting rusty? Why not end it altogether? The Government won't be able to realise the money invested in shares and advanced as loans. Therefore, stop the whole thing at once and see what can be recovered by the sale of the machi-

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nery and by sale of the property. Let not people say that the administration is absolutely weak and could not work industrial concerns in the State with success. If the stuff produced was good, I don't see why the Government should not try it again. It is only a question of money and the money can be advanced only by Government and nobody else. Like the sister institution, I mean the Potteries, this is another Industrial failure.

Mr. C. Barton Wright.—Mr. President, Sir, I beg to second this resolution. In doing so, I am fully aware that it is not an easy matter for the Government to get back the amount of the loan and the accumulated interest, for the simple reason that there is no money left with the Company. Of course, there are the land, buildings, plant and machinery. But these are worth now many times less than the cost price, and if auctioned, will cover only a small part of the Company's liabilities. No doubt, the Government made a grave mistake in having given such a large advance to a concern like the Cochin Tanneries without making sure of its business, stability and efficient management; but it is committing a greater mistake by sitting on the fence and watching the fast deterioration of the plant and machinery and the chemicals, and this also applies to all the machinery of all concerns on which Government have given loans. Sir, the Government, in fairness to the public, can no longer indulge in such a procrastinating policy. It is high time that either the concern is wound up and the amount realised, divided between the Government and the share-holders; or some means should be devised to run the concern. I understand that the matter was long ago referred to the Economic Development Board. Has the Board come to any decision? May I request the Government to finish the whole business by following the example of the Madras Government, which has recently taken over the Carnatic Paper Mills; or make arrangements to lease out the concern to any private agency on favourable terms?

Mr. A. B. Salem.—May I know from the President of the Economic Development Board, who is seated in this House, what proposals have been received from Mr. Koder, the Member for Mattancheri? If they have not been received, why? If they are received what they are?

Rao Sahib Mr. C. Matthai.—We received proposals from one or two. Mr. Koder was not able to place any workable proposal before the Government.

Mr. A. B. Salem.—I rise to contribute a few words to the discussion. The Tannery, that was started, which is under discussion to-day, was a concern in which I was one of the first Directors, and I would tell you that I knew that the concern was moving on very wrong lines, and I brought it to the notice

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of the Company. I pressed my view-point, but unfortunately in Cochin, my view-point was not at first heard. The hon'ble members of the Board of Directors, of whom I think one is seated here, would not agree, with the result that to-day I can laugh at them. I have got also the consolation that every pie that I put down in the concern was redeemed. I got back my money. The Cochin public and the Cochin Government that was looking after the public would not agree with me. With what result? They have all lost their money and a resolution has to be brought and tabled in this House, to look for the Cochin Government money. Had they only listened to me, at that time, the Government would not have lost the money and the Chalakkudi concern would have been a happy-going concern bringing profits into the pockets of the share-holders. Look at the demand for polished leather—and very good, excellent leather was being turned out from the Chalakkudi Tannery. There was no fault in the technique of it. The technical expert knew his work well. The business management was not proper. Can you expect a carpenter to turn out a good pair of shoes? I wrote in that very line, in that very language, to the Diwan of Cochin, who was then Mr. P. Narayana Menon but no heed was taken. My voice was only a voice in the wilderness and who heard my report? None. With what result? They all lost their money! I feel sorry for them. And even now, Sir, that Chalakkudi concern can be refloated into a good working concern bringing money to the share-holders. No doubt the Government, that recklessly gave their money, have lost their money. That cannot be helped. Their capital has to be reduced, and if perchance from the profit they want to have little by little they would be able to do so. I place the proposal before the President of the Economic Development Board. There have been experts prepared to give security for any loan that they may take from the Government. They were prepared to give ample security for giving them a guarantee.

Rao Sahib Mr. C. Matthai.—May I tell you that the Committee will be very glad to consider?

Mr. A.B. Salem.—I shall place the proposals before you. That is why I am moving. I have asked the parties to place the proposals before Mr. Koder. There is another expert, who is willing to work it, ready at any time and very fine excellent people they are—Ramachandra Mahadevan Company. They are prepared to give security. If you want to consider, I am prepared to place the proposals. I am not going to place proposals before people who will say they will consider slowly and slowly! When I was in Bombay in 1925, I sent a letter to the

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Government of Cochin: There were many Tannery concerns who are willing to take up this concern and work at a profit. They have got everything established. All these things are put down nicely, it is not necessary, but luxuriously put down. The Government was not even prepared to acknowledge the letter. Whose fault is it? Their own fault. It does not matter to me at all, although I also bought a few Tannery shares I got some shares to put some questions, but to whom to put questions? I think the Hon'ble Member for Vyttila is a Director sitting here. What is the use of putting questions? Money is gone, what is the use? Therefore, either the Government must take steps to recover their money or wind up the concern. Let it be one rupee. That rupee is every day depreciating. The machinery is getting rusty. As has been said by the Hon'ble Member for Chalakkudi, the pits are all crumbling down. Such huge boilers are not required for Tannery, they are going to rot. In the end, it will not fetch anything. The sooner you tackle the better. Instead of saying Government attention is being drawn—this statement is bringing no material result to the country; therefore, I say sufficient that these kinds of statements are made in this House; any number of these statements will not bring relief, please act in the living present and not tell us that we are sitting over the thing and we will act for the future. Either take security and work the concern or wind it up. It is a sensible resolution that has been tabled in this House and I give it my support.

Mr. K. P. Kannan Nayar.—What is the Government's view?

Mr. A. B. Salem.—They are considering.

Deputy President.—Do you agree to wind up the concern?

Mr. A. B. Salem.—Certainly. Government can bring it into liquidation because they are creditors.

Mr. Thomas Manjuran.—Easily said that the thing will be brought to liquidation. That is the last resort. Because I happen to have a few shares which have not been withdrawn as in the case of my friend.

Mr. A. B. Salem.—I have got a few shares still.

Mr. Thomas Manjuran.—Only for asking questions. I remain on the burning ship. I support the resolution.

Mr. P. Krishna Menon.—Not you alone but many others. I support this resolution not so much as to liquidate, because liquidation would mean ruin to the Government and probably to all, but to concentrate the attention of the Government. There is no use of allowing our Potteries, I mean Tanneries, Potteries also ditto, going to rot and ruin. Something must be

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done. I don't want to make a speech but I want to say I am an aggrieved party and that the Government will be pleased to do something for us, for my Hon'ble friend here and for so many of the share-holders and revive the thing if possible.

Mr. A. S. Harihara Ayyar.—On a point of information. I should like to know what portion of the capital is represented. All these amounts that were paid as wages or as pay for the workmen and for other persons are waste money—the machinery and the building and such other things which would represent capital.

Mr. A. B. Salem.—Who are the auditors ? I have not got the audited report of the Company although I am a share-holder. Whatever they have to give there is the annual sheet. They should send us an annual report.

Dr. A. R. Menon.—Is this a business meeting or a Legislative Council meeting ?

Mr. A. B. Salem.—That is a part of the resolution to which we are to confine our attention.

Deputy President.—Government have nothing to say.

Mr. K. P. Kannan Nayar.—No view at all.

Dr. A. R. Menon.—After spending two lakhs and eight thousand!

Mr. C. J. Mathew.—The attitude taken by Government in this matter is rather curious.

Mr. U. Kandar Menon.—Government would remain neutral in this matter.

Mr. T. K. Krishna Menon.—We look for practical suggestions from that side.

Mr. C. J. Mathew.—There is no meaning in saying that the Government is waiting to know the views of this side or that side. The resolution is clear enough. Something the Government should say. Whether they are willing to take up or not. To say that they are neutrals I don't think will be befitting them very much. The only question here is whether they agree to realise the money just as the share-holders or whether they shall come to the assistance of the share-holders and continue to run the concern themselves? What is it that the Government wants to know from the *other side* ? Does "the other side" mean the non-official Members or the share-holders? What is it?

Deputy President.—If you are not taking steps, Government may take steps.

Mr. C. J. Mathew.—With due deference to the attitude of the Government it must also be remembered that the share-holders rushed to subscribe because the Government had a hand

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in it. You, Government, have a moral responsibility for the money subscribed by the people. At their instigation, I say, it was the Government who got down the expert and made him publish a glossy report and under their auspices and under the assurance of that report, guided by the Government, the people rushed into the concern. Now having given people's money, in two forms, one through the hand of the people, the other through the hand of the Government, does it look well to say that the Government wants to know the attitude of the other share-holders? What is it that the Government has done?

Mr. A. B. Salem.—They gave more money.

Diwan Bahadur Dr. V. Verghese.—Bring practical suggestions, anything that can be done.

Mr. P. Krishna Menon.—Where did you invite suggestions, I ask?

Deputy President.—There are two suggestions, that the Government should either take steps to recover the money or work it up. These are the two suggestions. Are they willing to take steps to realise the money? If the Council wants, they will.

Mr. P. Krishna Menon.—So in the absence of any requisition or request of the Council, the Government is indifferent about their own money!

Mr. A. B. Salem.—Whose own money?

Mr. C. Barton Wright.—Public money.

Mr. P. Krishna Menon.—In the last place we have heard some reference to the next meeting of the Economic Development Board. Nothing more.

Deputy President.—You cannot say anything. Government is only watching.

Rao Sahib Mr. C. Matthai.—May I say, just point out, that there are two alternatives? The resolution places two alternatives.

Deputy President.—It is 5 o'clock.

Rao Sahib Mr. C. Matthai.—I shall be very brief.

Deputy President.—This will be continued to-morrow.

The House rose for the day at 5—2 p. m.

T. K. KRISHNA MENON,
Secretary to the Council.

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